

**Appropriations Committee
Friday, March 25, 2022**

**House Bill 5432: AN ACT PLACING THE STATE CONTRACTING STANDARDS BOARD WITHIN
THE LEGISLATIVE DEPARTMENT**

House Bill 5437: AN ACT CONCERNING EQUITY AND THE GOVERNOR'S BUDGET

Senator Osten, Representative Walker, Senator Miner, Representative France, and members of the Appropriations Committee:

My name is Travis Woodward, I am a resident of Hamden, and an engineer in the Connecticut Department of Transportation. I am also the president of CSEA SEIU Local 2001, a labor union representing over 23,000 state, municipal, board of education, active and retired, public and private sector workers. I offer the following testimony on HB 5432 and HB 5437:

I have come before this committee already this session to talk about the urgent need to properly and fully fund the State Contracting Standards Board. I have talked about why the Board was created in the first place, the important work it has done even though it has always been understaffed and underfunded, and how, if given the resources it needs, it can deliver savings and transparency for Connecticut residents.

The bill before you today, HB 5432, is a little different. I'm an engineer, so I put a high premium on logic. And, logically, it makes a lot of sense to move the Board into the Legislative Department. Afterall, it's an executive branch agency reviewing and investigating executive branch contracts. It ain't exactly the fox guarding the henhouse, but it might not be that far off. So, yeah, at first look, this bill seems to be a good idea.

However, here is our concern: will the Board retain all of its powers and authority if it's moved into the Legislative Department? Will a legislative entity be able to nullify an executive branch contract (as the Board is currently empowered to do)? If the answer to questions like this is "Yes," then that's great! But if the answer is "No," or "We Don't Know", then this proposal is one that makes a lot less sense.

After years and years of being denied the tools it needs to do its job, what the Board needs now is funding. The Board's limited capacity to do its work might, in part, be because of where it is, the executive branch, but we know that the real holdup is the Board's inability to hire the staff it needs. I encourage you to focus first on properly funding the Board.

HB 5437 requires Governors to explain how their budget proposals impact efforts to ensure equity in the state. It is a much needed and long overdue proposal and we thank the Committee for raising it.

A budget is often referred to as a moral document that reflects values and priorities. Yet the way Governors have typically prepared budget proposals is to incrementally adjust the previous year's document. They may also make room for their own priority policy proposals. The product is sometimes one that has been developed in isolation and is more reflective of a political ideology than the common good or overall need. In-depth outreach with the general public doesn't usually begin until the Appropriations and Finance, Revenue & Bonding Committees begin their public hearings. By making equity a cornerstone of the budgeting process from the beginning – in the

Governor's proposal – both branches of government will be starting from a common place. Both branches will be focused on prioritizing spending where it makes the most impact, addresses the greatest need and repairs past harms.

Because we haven't approached budgeting in this way, Connecticut has the highest rates of income inequality in the country. The income gaps are tremendous, but so are the disparities in tax burdens. The [2014 state tax incidence analysis](#) performed by the Department of Revenue Services showed that the bottom 50% of earners contribute 23.6% of their income in taxes, but the top 1% contribute only 7.5%. The [2022 report](#) shows that low-income households have lost ground since 2014. They now pay up to 26% of their income in taxes. Middle income households are also paying more - as much as 15.5%. Yet Connecticut oligarch's effective tax rate has remained flat. To put it simply, Connecticut's tax system is even more regressive now than it was in 2014. We can do better.

With an influx of federal COVID-relief monies and swelling revenues from investors and high-income earners during the pandemic, the state's financial picture is rosier than it has been for decades. With a projected FY 2022 budget surplus of more than \$1.5 billion and a Rainy Day Fund at its statutory maximum, now is the time to make sure budget decisions are made through an equity lens. They should be data-driven - with data disaggregated by race and gender - and focused on historically disadvantaged groups. If we don't do that, we allow unfair policies and practices, discriminatory treatment and inequitable opportunities and outcomes to continue. We also ignore the cumulative and compounding effects that past decisions have had to systematically privilege white people and disadvantage people of color.

Connecticut will be equitable when all residents – regardless of their race, ethnicity, nativity, gender, income, physical ability, or other characteristics – are fully able to participate in the state's economic vitality, contribute to the state's readiness for the future, and connect to the state's assets and resources.

Understanding that great disparities continue to exist that have yet to be resolved, we respectfully suggest that the Committee replace the word “ensure” with “create” on line 9. In addition, to fully realize the intent of HB 5437, we respectfully request the Committee to include a definition of equity:

As used in this section, “equity” means how the proposed policy making, service delivery, and distribution of resources intentionally meets the needs of state residents with different histories, challenges, and needs, including but not limited to those who have been systematically disadvantaged by (1) race; (2) ethnicity (3) gender; and (4) physical, mental, behavioral or developmental health.

We urge the Committee to support HB 5437 with the language we have suggested.

Thank you for the opportunity to testify.

Travis Woodward
President, CSEA SEIU Local 2001